

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of California Water Service Company (U 60 W) for an Order Authorizing it to increase Rates for Water Service in its Palos Verdes District.	Application 03-01-034 (Filed January 31, 2003)
Application of California Water Service Company (U 60 W) for an Order Authorizing it to Increase Rates for Water Service in its Oroville District.	Application 03-01-035 (Filed January 31, 2003)
Application of California Water Service Company (U 60 W) for an Order Authorizing it to Increase Rates for Water Service in its Selma District.	Application 03-01-036 (Filed January 31, 2003)
Application of California Water Service Company (U 60 W) for an Order Authorizing it to Increase Rates for Water Service in its Dominguez District.	Application 03-01-037 (Filed January 31, 2003)

**SCOPING MEMO AND RULING OF ASSIGNED COMMISSIONER
AND ADMINISTRATIVE LAW JUDGE**

In these proceedings, California Water Service Company seeks ratesetting for four of its water districts. A coordinated Prehearing Conference (PHC) was held at 10:00 a.m., Friday, April 4, 2003, in the Commission Courtroom, State Office Building, 505 Van Ness Avenue, San Francisco, California 94102. This ruling determines the scope, schedule, necessity of a hearing, and other

matters in accordance with Rules 6(a) and 6.3 of the Commission's Rules of Practice and Procedure (April 2000) (Rules).¹

1. Parties

The parties to these proceedings are California Water Service Company, the applicant, and the Office of Ratepayer Advocates (ORA), protestant.

2. Consolidation

These four proceedings involve common issues of fact and law. Upon the request of both parties, these proceedings are consolidated under Rule 55 of the Commission's Rules.

3. Principal Hearing Officer

Pursuant to Pub. Util. Code § 1701.3, Administrative Law Judge (ALJ) John E. Thorson is designated as the principal hearing officer in this proceeding.

4. Categorization and Need for Hearing

This ruling confirms the Commission's preliminary categorization in Resolution ALJ 176-3107 (Feb. 13, 2003) of this proceeding as ratesetting. This ruling also confirms that evidentiary hearings are necessary as factual issues are in dispute. This ruling, only as to categorization, is appealable under the provisions of Rule 6.4 of the Commission's Rules.

5. *Ex Parte* Communications

Since this is a ratesetting proceeding, *ex parte* communications with the Assigned Commissioner, other Commissioners, and the ALJ are generally

¹ The Commission's Rules are available on the Commission's website: www.cpuc.ca.gov/PUBLISHED/RULES_PRAC_PROC/8508.htm.

prohibited. The limited exceptions to this prohibition are described at Pub. Util. Code § 1701.3(c) and Rule 7.

6. Scope of the Proceeding

By separate applications, now consolidated, applicant seeks the Commission's approval of rate adjustment for years 2003 through 2006 for each of four water districts: Palos Verdes, Oroville, Selma, and Dominguez. ORA opposes each application and maintains that the application should be dismissed for failure to make a *prima facie* showing that the proposed rate adjustment is justified. Consideration of the applications involves an examination of water sales and revenues, operations and maintenance expenses, general office expenses and financial requirements, utility plant, depreciation, rate base, revenue requirements, and the rate of return.

7. Specific Issues to Be Addressed

The specific factual and legal issues to be decided in this proceeding are as follows:

- a. Has the applicant stated a *prima facie* case in its applications for rate adjustments?
- b. Is applicant entitled to interim rate relief under Pub. Util. Code § 455.2?
- c. Are the estimated revenues, expenses, rate base, and rate of return just and reasonable?
- d. Is the proposed rate design in the public interest?
- e. Is applicant in compliance with applicable state and federal water quality standards in each of the four districts?
- f. Other issues designated by the principal hearing officer and necessary to the full consideration of the applications.

8. Schedule

The schedule for this proceeding follows. The schedule includes an alternative set of dates in the event a motion concerning the sufficiency of the applications is granted.

Subsequent to the Prehearing Conference, applicant notified the Commission and other parties that the applicant had failed to furnish its customers with the notice of proposed rate change application, which is required by Pub. Util. Code § 454(a). Applicant is apparently taking prompt steps to cure this deficiency; but in an effort to ensure that customer and potential intervenor rights are protected, the following schedule generally follows the proposal of ORA. The Commission reserves its authority to impose additional sanctions upon applicant, or provide relief to other persons, for applicant's failure to send the notice of proposed rate change application as required by § 454(a).

Public Participation Hearings (PPHs) will be held for customers in each district. Combined afternoon and evening PPHs may be held for the Palos Verdes and Dominguez districts. Separate afternoon and evening PPHs will be held for the Oroville and Selma districts. Preferably, the PPHs will all be scheduled in the same week. Applicant shall work with the Commission's Public Advisor to ensure that proper and timely notice is provided for the Public Participation Hearings and that convenient and satisfactory meeting facilities are arranged.

The Administrative Law Judge may schedule, with the consent of the parties, site visits of one or more districts.

Event	Date (All 2003)	Date (All 2003)
<ul style="list-style-type: none"> ▪ Deadline for any motion re sufficiency of application ▪ Deadline for any motion re interim rate relief 	April 25	
Reply to any motions filed on April 25	May 8	
Oral argument on any motions filed on April 25	May 9 (10:00 a.m.)	
ALJ Ruling on any motion concerning sufficiency of application filed on April 25 (Ruling on interim rate relief may be issued later than May 23)	May 23	
	Motion re Sufficiency Not Granted	Motion re Sufficiency Granted
Any amended/new application		June 11
ORA response to amended/new application		July 11
Public participation hearings	Between June 16 and August 15	Between June 16 and August 15
Requested interim relief, if awarded	July 1	July 1
ORA report	July 21	September 23
Rebuttal testimony	August 11	October 24
Hearings	September 29-October 3 (9:00 a.m.-3:00 p.m.)	November 12-14, 17-19 (9:00 a.m.-3:00 p.m.)
Opening briefs (With joint comparison exhibit)	October 31	December 12
Responding briefs	October 14	December 30
Proceeding Submitted	October 14	December 30

9. Discovery

If the parties have discovery disputes they are unable to resolve by meeting and conferring, they shall raise these disputes under the Commission's Law and Motion procedure. *See* Resolution ALJ-164 (Sept. 16, 1992).

10. Intervenor Compensation

As discussed in paragraph 8, applicants admits that the notice required by Pub. Util. Code § 454(a) has not been sent. The normal deadline for customers to file notice of their intent to claim compensation under § 1804(a), therefore, is not appropriate or reasonable since customers may not have received the § 454(a) notice within the thirty-day period following the Prehearing Conference. Under the authority of § 1804(a), the deadline for notices of intent to claim compensation is extended, for customers in each district, until thirty-five days after applicant has filed proof of mailing of the § 454(a) notice for that district.

11. Service Lists/Filing and Service of Documents

The official service list for this proceeding is attached to this ruling. The parties shall notify the Commission's Process Office of any address, telephone or electronic mail (email) change to the service list. The updated service list is available on the Commission's web page maintained for this proceeding: www.cpuc.ca.gov/published/proceedings/A0301034.htm.

The parties have agreed to distribute all pleadings and testimony in electronic form to the ALJ (jet@cpuc.ca.gov) and those parties who have provided an email address to the Process Office. This stipulation does not vacate the Commissioner's rules regarding filing of paper copies, Rule 2.5; the need to serve paper copies on any party without an electronic mail address; and the need to serve paper copies of any document that cannot be electronically distributed.

Therefore, **IT IS RULED** that:

1. The proceedings are consolidated.
2. The parties, scope of proceedings, specific issues to be addressed, and service list are set forth in paragraphs 1, 6, 7 and 11, above.
3. Administrative Law Judge John E. Thorson is the principal hearing officer.

4. The Commission's preliminary categorization of this proceeding as ratesetting, in Resolution ALJ 176-3105 (Jan. 16, 2003), is confirmed. An evidentiary hearing is required.

5. The *ex parte* prohibition of Pub. Util. Code § 1701.3(c) applies to this proceeding unless otherwise allowed under § 1701.3(c) and Rule 7.

6. The schedule for the proceeding is set forth in paragraph 8.

7. Discovery disputes will be resolved pursuant to paragraph 9.

8. Any notice of intent to claim intervenor's compensation for each district must be filed within thirty-five days following the filing of the proof of mailing by applicant of the notice required by Pub. Util. Code § 454(a) for that district.

Dated April 23, 2003, at San Francisco, California.

/s/ GEOFFREY F. BROWN

Geoffrey F. Brown
Assigned Commissioner

/s/ JOHN THORSON

John Thorson
Administrative Law Judge

CERTIFICATE OF SERVICE

I certify that I have by mail and by electronic mail to the parties to which an electronic mail address has been provided, this day served a true copy of the original attached Scoping Memo and Ruling of Assigned Commissioner and Administrative Law Judge on all parties of record in this proceeding or their attorneys of record.

Dated April 23, 2003, at San Francisco, California.

/s/ KE HUANG

Ke Huang

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to ensure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, *e.g.*, sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074, TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.